

Progress Report to Council: Second Quarter, 2017

2015-2020 Strategic Business Plan Implementation

At Seattle Public Utilities, our mission is to deliver efficient and forward-looking utility services that keep Seattle the best place to live. To keep our pledge to meet community and environmental needs, we:

- Maintain and deliver some of the nation's best drinking water;
- Help Seattle residents and businesses be recycling leaders; and
- Protect local waterways and Puget Sound from sewage overflows and polluted storm water runoff.

We do these things while always keeping in mind that we need to spend our customers' money wisely.

The 2015-2020 Strategic Business Plan

Seattle Public Utilities (SPU) worked with customers and employees to develop a Strategic Business Plan (the Plan) to guide our work from 2015 through 2020. The Plan grew out of our efforts to provide greater rate predictability while also making important investments for the future.

The Strategic Business Plan was adopted by the Seattle City Council on August 11, 2014, via Resolution 31534. This Second Quarter, 2017 report responds to the Resolution's direction to provide periodic updates on our progress.

Quarterly Highlights

1. We completed work on our 2018-2023 Strategic Business Plan Update in partnership with the Customer Review Panel and transmitted it to the City Council. The Council's Civil Rights, Utilities, Economic Development and Arts (CRUEDA) committee discussed the SBP Update in July and August. We sent a postcard to our customers to notify them about these meetings.
2. In June, the Mayor and Councilmember Herbold announced income calculation changes for the Utility Discount Program (UDP) that are expected to increase enrollment by more than 3,000 senior utility customers. The new calculation recognizes Medicare Part B premiums as a deductible expense which allows more customers to qualify for the 50 percent discount on SPU bills.

Meeting Service Levels

The Strategic Business Plan includes all of SPU's work and the services we provide to our customers. Table 1 summarizes SPU's current performance in meeting 20 service levels. Some highlights are provided below.

- **# of Households enrolled in the Utility Discount Program (#3).** Enrollment has increased by 3,251 households since January 1. A total of 33,394 households are currently benefiting from this program.
- **Collect Missed Solid Waste Pickups Within One Day (#18).** Performance is slightly behind the 95% target this quarter. We are monitoring this metric and anticipate a rebound in our performance.
- **Stay within the overall 4.6% Endorsed rate path through 2020 (#19).** While current adopted rates have maintained the 4.6% average annual rate increase, the 2018-2023 Strategic Plan Update proposes a 5.5% average annual rate increase.

Table 1. Service Level Performance - YTD Second Quarter 2017

#	Levels of Service and Performance	Reporting Frequency	Target	Performance
Focus Area: Customer Experience - Making it easier to get help and find answers				
1	Customers rank their satisfaction with SPU services is at least 5 on a scale of 1-7. (Last measured in 2015.)	Every 4 Years	≥5	5.9
2	% of priority drinking water, drainage, and wastewater problems responded to within one hour.	Monthly	≥90%	96%
3	# of households enrolled in the Utility Discount Program. - Increase since January 1 - 2018 year end goal: 34,000	Monthly	NA 34,000	3,251 33,394
Focus Area: Health and Environment - Projecting your health and our environment				
4	Compliance with all Department of Health regulations.	Monthly	Yes	Yes
5	Meet tribal, regional, state and federal commitments for instream water for fish.	Quarterly	Meet commitments for the quarter	Yes
6	Limit sanitary sewer overflows to no more than 4 annually per 100 miles of pipe, on a two-year average. - # of total sewer overflows in the current biennium - # of sewer overflows that count towards the Consent Decree threshold - # of sewer overflows in the current biennium per 100 miles of sewer pipe	Monthly	NA <114 <4	74 59 2.1
7	Limit CSOs (combined sewer overflows) to 1 per outfall per year over a 20-year moving average. - # of CSOs (sewer overflows) per total number of outfalls (85 outfalls total).	Monthly 1 month lag	≤1.0 by 2025	2.25
8	# tons of pollutants removed from roads during 2017 (cumulative).	Quarterly	≥140 tons/year	91
9	# gallons of runoff water managed using Green Stormwater Infrastructure. (In millions of gallons)(cumulative)	Quarterly	11.3M gallons by year-end	10.7
10	Achieve Water Conservation Partnership regional water conservation goal. (MGD= million gallons/day)	Annual (April)	<105 MGD	94.4
11	% of refuse being recycled or composted.	Annual (July)	≥70% by 2022	58.8%
12	% of graffiti removed within 10 business day for SDOT structures and 6 business days for SPU property.	Monthly	≥90%	97%
13	% of illegal dumping cleaned-up within 10 business days.	Quarterly	≥80%	100%
Focus Area: Operational Excellence - Improving how we work to deliver consistent, high quality services				
14	Meet obligations in wholesale customer contracts for pressure, flow, and unplanned transmission system outages.	Quarterly	Meet commitments	Yes
15	No critical services (e.g., hospitals) are inaccessible due to flooding, except during extreme storm events (events exceeding a 100-year, 24-hour design storm event).	Monthly	All critical services accessible	Yes
16	Provide reliable solid waste pickup with only one missed pickup for each 1,000 stops.	Monthly	≤1	0.5
17	Limit late container deliveries to a maximum of two per 100 deliveries.	Monthly	≤2	1.0
18	Collect at least 95% of missed solid waste pickups within one business day following notification by customers.	Monthly	≥95%	91%
19	Stay within the overall 4.6% Endorsed rate path through 2020.	Quarterly	≤4.6%	Yes
20	% of purchases and consulting contracts with WMBE firms.	YTD YTD	Purchasing ≥12% Consulting ≥12%	18.7% 13.2%
<div>Not measured monthly</div> <div>On track</div> <div>Monitor</div>				

Action Items – Improving Services

This section summarizes our progress on the Action Item commitments in the 2015-2020 Strategic Business Plan. We have overall goals as well as annual goals for each Action Item. Table 2 shows details on the overall goals and the 2017 second quarter progress for 13 key Action Items.

Table 2. Progress on Key Action Items (by Strategic Focus Area)

2015-2020 Action Item Goal	2017 Deliverable & Second Quarter Progress	On track for 2017?
Focus Area: Customer Experience - Making it easier to get help and find answers		
1. Service Equity Provide tools, training and resources to staff to ensure equitable utility services are delivered to all communities and customer groups.	2017 Deliverables: Train about 50 staff from 10 of our community partners so they can provide culturally appropriate training to their communities on recycling and composting. To date, we are working on an MOA with the Department of Neighborhoods to identify non-profit or community-based organizations to help us engage SPU customers. Also, we completed SPU 101 and SPU 102 training for six Community Liaisons.	Yes
Focus Area: Health and Environment - Better projecting your health and our environment		
2. Climate Change Adaptation and Resiliency Ensure climate change is robustly integrated in the Drainage and Wastewater and the Water systems plans.	2017 Deliverables: •Incorporate results from climate change scenario analysis into the 2019 Water System Plan; develop adaptation strategies. •Update observed precipitation data; develop a process for incorporating climate projections for precipitation into infrastructure planning. •Build and cultivate professional networks to keep abreast of developing issues related to climate change. To date, we are reviewing initial results of a climate impacts analysis. The Water line of business (LOB) has identified adaptation options, and work on “climate perturbed” technical studies is underway with the Drainage & Wastewater LOB.	Yes
3. Energy Management and Carbon Neutrality Develop a program to enable SPU to progress toward becoming a carbon neutral utility.	2017 Deliverables: Implement a system for gathering and tracking energy use data; develop and verify SPU's 2016 Greenhouse Gas (GHG) Inventory; and develop a policy framework for achieving carbon neutrality. To date, we are working on collecting electrical energy use by the LOBs and seeking “long haul” data on refuse sent to the Oregon landfill.	Yes
Focus Area: Operational Excellence - Improving how we work to deliver consistent, high quality services		
4. Broadview Drainage and Wastewater Accelerate flooding and sewer backup prevention projects in the Broadview neighborhood.	2017 Deliverables: Secure project funding and proceed with design for the Dayton Sewer Improvement and 12th Avenue Drainage projects. To date, we are continuing work on the business case and scope of work for the 12th Avenue NW improvements and flow monitoring for the Dayton Street project.	Yes
5. Sewer Inspection Complete inspection of all sewer pipes in our system by 2026.	2017 Deliverables: Complete a sewer inspection strategy document and implementation plan and inspect 240 miles of pipe. To date, we have inspected 114 miles of pipe and continue work on the implementation plan.	Yes
6. Sewer Rehabilitation Increase the rate of sewer pipe rehabilitation.	2017 Deliverables: Invest \$16.5 million in pipe rehabilitation projects. To date, we have invested \$10.3 million in pipe rehabilitation.	Yes
7. Sewer Pipe Cleaning Complete system-wide cleaning by 2022.	2017 Deliverables: Clean 450 miles of pipe. To date, we have cleaned 227 miles of pipe.	Yes
8. South Park Drainage and Wastewater Develop and implement drainage improvements in the 7th Ave South basin in South Park, to reduce flooding (pump station and conveyance improvements) and clean runoff (water quality facility) before it discharges to the Duwamish Waterway.	2017 Deliverables: Study the drainage conveyance options and develop a project management plan to implement the best option. To date, we are evaluating potential sites for the pump station and the water quality facility. Progress continues the pollutant loading analysis (for the pump station) as well as the draft summary of the options analysis for the conveyance design package.	Yes

2015-2020 Action Item Goal	2017 Deliverable & Second Quarter Progress	On track for 2017?
9. Seismic Vulnerability Develop a plan to protect the drinking water system from earthquakes.	2017 Deliverables: Complete the seismic study with recommendations for capital as well as operational and maintenance improvements. To date , we are conducting third-party reviews of the consultant's facilities and pipeline assessments. The entire study is expected to be completed in the third quarter.	No
10. Valves Improve maintenance and operation of the approximately 60,000 valves in the drinking water system.	2017 Deliverables: Conduct a pipe flushing pilot that includes water valve maintenance, and verify valve locations on GPS. To date , we are working to identify staff resources to address preventive inspections of critical valves.	No
11. Performance Metrics Implement a SPU-wide performance measurement system that includes service levels, measures and indicators to regularly track and assess how well we are meeting our service levels and to continuously improve.	2017 Deliverables: Secure leadership approval for SPU-wide and Branch metric prioritization and selection for dashboard development. To date , we completed information-sharing roadshows to the LOBs and we are testing Tableau (software) to consolidate performance data from files on our SharePoint site.	Yes
12. Facilities Management Implement Phase I of the Facilities Master Plan to address aging, deficient building conditions and inadequate space for field crews and administrative staff.	2017 Deliverables: •Begin construction of Cedar Falls Phase I, the Ballard Office Building, the Haller Lake DWW Building C, and Landsburg Operations Center tenant improvements. •Begin design of DWW South Operation Center, and Cedar Falls Phase II. •Begin planning for the North Dewatering Facility, and the Beacon Hill Office Building. To date , for the DWW South Operations Center, we completed the schematic design and established a spending cap of \$19.8M.	Yes
13. Emergencies and Disasters Create a comprehensive emergency plan for maintaining and restoring essential services in emergencies.	2017 Deliverables: •Draft the Comprehensive Emergency Management Plan (CEMP) by third quarter 2017. •Implement the supporting training plan through 2017. •Deliver Incident Command classes quarterly. To date , we have implemented the training plan, and training and practice exercises continue to reinforce emergency response skills. We also continue to work on the CEMP and the COOP (Continuity of Operations Plan).	Yes